

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:609

ANSWERED ON:21.11.2002

MULTI-PROLONGED STRATEGY FOR POWER DISTRIBUTION

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Will the Minister of POWER be pleased to state:

(a) whether it is true that a multiprolonged strategy is required in the field of power distribution;

(b) if so, the details of this multiprolonged strategy; and

(c) the time by which it is likely to be implemented?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) : Yes, Sir.

(b) & (c) : The Ministry of Power has initiated large-scale reforms in the power sector. Under the reforms programme, the Ministry of Power has launched the Accelerated Power Development and Reforms Programme (APDRP) in the year 2000-01 as an important step towards reduction of Aggregate Technical and Commercial losses and restoring commercial viability of the power sector. Distribution reforms is expected to bring out the desired changes in the performance of the State Electricity Boards through the adoption of best technical and commercial practices in the operation and management of distribution circles.

Under the APDRP, the Ministry of Power has formulated a six level intervention strategy for distribution reforms at National, State, SEB, Distribution Circle, Feeder & consumers levels to ensure accountability, deliverability and performance at all level.

? National level interventions.

The national level intervention include providing for a legal framework for ushering distribution reforms like enabling local institutions to manage distribution, third party sale, remote metering, removal of cross subsidies, penal provision for thefts etc.

? State level interventions.

The States are being asked to sign the MOUs with the Ministry of Power to set up SERCs, restructure SEBs, remove cross subsidies and tariff anomalies, provide budgetary support to SEBs towards subsidies, introduce privatisation etc. So far 24 States have signed MOUs with the Ministry of Power, 21 States have constituted SERCs, 12 State Regulatory Commissions have issued tariff orders and 9 States have unbundled SEBs.

? SEB level intervention.

The State Electricity Boards are being insisted upon to sign an MOA with the Ministry of Power to carry out distribution reforms. This would lead to increased accountability, introduction of commercial accounting, setting up of online management information systems, reduction of T&D losses, introduction of benchmarking of crucial parameters that cover consumer satisfaction and system stability. Till now 18 States have signed the MOA and others are expected to sign shortly.

? Distribution Circle level intervention.

At this level, the Technical commercial and administrative interventions for reducing outages improving reliability, reducing technical and commercial losses are envisaged. The Superintending Engineer will be the Chief Executive Officer of the distribution circle. Each circle will work as an independent profit centre.

? Feeder level intervention.

11 KV Feeders will be operated as business units that will be accountable for quality of power and reliability, metering, billing and collection. IT applications covering remote metering at feeder and distribution transformer levels will be the mainstay for monitoring and collection. Replacement of conductors and energy efficient distribution transformers, metering of feeders and distribution transformers reducing HT/LT ratio, segregation of technical and commercial losses etc. are envisaged.

? Consumer level intervention.

Mandatory metering with digital interface for all consumers, prepaid metering, incentives for energy efficiency are envisaged here.

With the implementation of the multi-pronged strategy, the distribution sector is expected to turn around within the next three to five years.